REMARKS

Claims 1-20 remain pending in the application. The claims stand rejected as obvious in view of Leighton and Bates. The Action notes that Leighton teaches a watermark decoding process, but fails to disclose this process being done automatically – without user intervention.

Bates is cited as teaching a process being done automatically.

The rejection is respectfully traversed, and reconsideration is requested.

Bates does not relate to watermarking. Rather, Bates relates to a virus checker. The utility of Bates is to protect a user from viruses. To accomplish this purpose, the Bates virus-checker must operate without user intervention.

No such logic compels automatic invocation of watermark detection, as claimed.

Thus, it appears that the combination of Leighton with the disparate virus checker art of Bates is impermissibly tainted with hindsight. As such, the combinations defined by the independent claims are not obvious over such art.

In view of such shortcoming, other points that might be made concerning the claims, the art, and the rejections, are not belabored.

Separately, on reviewing the file, the undersigned noted that he neglected to claim priority to the 1996 application (08/746,613) in which the claimed subject matter was introduced. Accordingly, applicant plans to file a new application that makes such priority claim, and to continue prosecution of the present claims in that new application. When the new application is filed, the undersigned plans to abandon the present application.

Date: September 13, 2005

Customer Number 23735

Phone: 503-469-4800 FAX 503-469-4777 Respectfully submitted,

DIGIMARC CORPORATION

By William Y. Conwell

Registration No. 31,943